

COUNCIL ON HOUSING
Public Session
Polytech Adult Education Conference Center
Woodside, Delaware
June 14, 2006

ACTION ITEMS

- **April 19, 2006 Executive Session Minutes**
- **May 10, 2006 Public Session Minutes**
- **Delaware Homeless Planning Council Presentation**
- **DSHA Bond Financing Presentation**

On June 14, 2006, Roseann Harkins, Chairperson, called to order the Public Session of the Council on Housing at 1:05 p.m. A motion was made by Norma Zumsteg to go into Executive Session to only approve the April 19, 2006 Executive Minutes. Seconded by Mr. Walker, the motion carried unanimously. The Executive Session adjourned at 1:08 p.m, at which time the Public Session resumed. In addition to Ms. Harkins, the following Council members were present:

Connie Louder
Constance McCarthy
Joseph McDonough
Ruth Sokolowski
John Walker
Vincent White
Norma Zumsteg

The following Council member was absent and excused from the meeting:

Fernando Guajardo

The following persons also attended the meeting:

Thomas McGonigle, Esq., Wolf Block Schorr & Solis-Cohen LLP
Catherine Gregory, Deputy Director, DSHA
Anas Ben-Addi, Housing Finance Administrator, DSHA
Tonya Burbage, Administrative Specialist III, DSHA
Nicole Cross, Intern, DSHA
Matthew Heckles, Executive Assistant, DSHA
Jerry Jones, Housing Finance/Development Administrator, DSHA
Rebecca Nannery, Intern, DSHA

Guests present:

Cara Armbrister-Robinson, Homeless Planning Council

Lorraine deMeurisse, Deutsche Bank Delaware
Michael Skipper, WSFS Bank

APPROVAL OF MINUTES

A motion was made by Mr. Walker to approve the Public Session minutes of the May 2006 meeting as presented. Seconded by Ms. Louder, the motion carried unanimously.

HDF SUMMARY

- Mr. Jones gave an HDF statement update. Mr. Jones stated six tax credit applications were received in April but only four will be brought before Council in the coming months. Compton Apartments will not get funded because there were not enough credits available and Shipley Lofts does not need HDF funding. Mr. Jones stated that DSHA received about \$2.8 million in requests but only about \$2 million in credits is available. Mr. Jones mentioned that DSHA staff has been working with the City of Dover on a tax abatement ordinance for DSHA financed projects.

Ms. Sokolowski asked why Shipley Lofts did not appear on the HDF statement. Mr. Jones responded because the development does not require any HDF funds.

OLD/NEW BUSINESS

- Ms. Gregory mentioned that Ms. Johnson was absent from the meeting due to her son's surgery and sends her apologies.
- Ms. Gregory gave some background information for Cara Armbrister-Robinson's Homeless Planning Council (HPC) presentation. Ms. Gregory stated that many years ago, HUD created a program called the McKinney Act to fund homeless shelters. Delaware receives over \$5 million annually to support various homeless shelters and programs. Ms. Gregory stated that Delaware must adhere to an Executive Order on homelessness from the federal government, whereby states are required to eliminate homelessness in the near future (2010).
- Homeless Planning Council Presentation by Cara Armbrister-Robinson.

Per the attached PowerPoint presentation, Ms. Armbrister-Robinson discussed the various issues and demographic information that the HPC works with.

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1. Mr. White asked if a prison is considered a home. Ms. Armbrister-Robinson responded no, prison is not

considered a home but when people are discharged from prison, many do not have any place of their own and are considered homeless. Ms. Gregory added that prison discharge is a special category for homeless data collection.

2. Mr. White asked if women with children met HUD's definition of homeless. Ms. Armbrister-Robinson responded they would fit the definition of homeless but not chronically homeless.
3. Ms. Sokolowski asked how much additional funding is needed in the State to help the homeless population. Ms. Armbrister-Robinson stated \$5.1 million is needed annually to address and maintain the additional 300 units needed.
4. Mr. McDonough asked what happens if the states have not implemented a plan by 2010. Ms. Gregory responded Delaware has to have a plan in place by the end of this year that states it will end chronic homelessness by 2010. If the plan is not in to HUD by that time, the State could lose its supportive housing funds.
5. Mr. Jones asked what Delaware's homeless percentage is compared to other states. Ms. Armbrister-Robinson responded about .2%, which is in line with the national average.
6. Ms. Sokolowski asked why is the State not converting some of the emergency shelters into transitional housing. Ms. Armbrister-Robinson responded that is something that is being discussed for Delaware as it has been successful in a couple of other states.
7. Mr. White asked if the zip code origin is ever tracked. Ms. Armbrister-Robinson responded that it is tracked in the HMIS system and from other agencies.

- Delaware State Housing Authority Bond Financing Presentation by Anas Ben-Addi

Per the attached PowerPoint presentation, Mr. Ben-Addi discussed DSHA's Bond financing.

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1. Mr. McDonough asked if the Bond allocation was done on an annual or fiscal year. Mr. Ben-Addi responded that it is done on a calendar year.
 2. Ms. McCarthy asked if there is a time cap on using the allocation. Mr. Ben-Addi responded yes, it is a rolling three-year period.

3. Mr. White asked about the current interest rate on mortgages. Mr. Ben-Addi responded the rate is currently 4.95%.
 4. Mr. White asked if DSHA is paying taxes on the rebate. Mr. Ben-Addi responded no, DSHA gives the rebate back before it can become a tax issue.
 5. Mr. White asked if the rebate returned to the Guaranteed Investment Contract (GIC) provider is profit. Mr. Ben-Addi responded DSHA does not regulate them so it is not known what they do with the extra earnings. Ms. Gregory added the providers have to meet certain criteria in order to do business with DSHA.
 6. Mr. White asked what attributes to the low percentages of non-whites receiving Bond funding. Mr. Ben-Addi responded that DSHA's percentage is higher than the national average by about 21 percentage points. Ms. Gregory added that credit scores and eligibility to use Bond financing also are limiting factors.
 7. Mr. White asked if the Bond product is being promoted by lenders so it reaches the widest market. Ms. Gregory asked what does Mr. White perceive as problems. Mr. White responded that many lenders do not know about the Bond program or it has not been explained to them. Mr. McDonough asked what Mr. White would like to suggest as a solution. Mr. White responded that it would take up too much time but that Council should be cognizant of the situation. Ms. Harkins suggested having a continuing education credit course to teach realtors about the different mortgage programs available in Delaware.
 8. Ms. Sokolowski asked if DSHA could place an advertisement in the local newspapers about the Bond funds. Mr. Ben-Addi responded that it may be a problem to advertise because DSHA is not a direct lender. Mr. Ben-Addi added that DSHA currently has ads with the local radio stations and some newspapers but the DSHA name is not used. Mr. White added the marketing circle needs to be broadened.
 9. Mr. McDonough asked if a spot on local television could be purchased. Mr. Ben-Addi responded it is not cost effective but DSHA is currently corresponding with Comcast television for some type of public notice.
- Ms. Gregory stated the New Castle County transfer tax memo was sent per Council's request from the last Council meeting

and New Castle County is not pursuing the termination of the transfer tax waiver this year. According to DSHA's estimate, the waiver saves first-time homebuyers approximately \$1,300 in closing costs.

- Ms. Gregory stated the Joint Sunset Committee's recommendations involve some statutory changes and other changes in how the Council operates. The Committee promised to continue to work with DSHA on the legislation.
- Ms. Gregory stated the Wilmington Housing Authority (WHA) received a \$60,000 Emergency Fund Grant to help with relocation, security deposits and utility hook-ups for the displaced tenants of Crestview Apartments due to a fire. DSHA will receive back-up documentation on the expenditures by WHA.
- Ms. Gregory stated the retreat for Council will be held on August 18 and 19 at the Virden Center in Lewes. Ms. Pamela Leland from the University of Delaware will be the facilitator. Ms. Harkins asked the members to contact her if they have any suggestions for the agenda.
- Ms. Harkins stated that July is elections for the Council. If anyone is interested in serving as the Chair, Vice-chair, or on Loan Review Committee they should make it known at the July meeting. Ms. Harkins and Ms. Zumsteg are both still eligible for their current positions as Chair and Vice-chair.

SCHEDULING OF NEXT MEETING

The next Council meeting is scheduled for Wednesday, July 12, 2006 at 1:00 p.m. at Buena Vista in New Castle.

ADJOURNMENT

A motion was made by Ms. Zumsteg to adjourn the Public Session at 3:10 p.m. Seconded by Ms. McCarthy, the motion carried unanimously.

Respectfully submitted,

Tonya A. Burbage